



**MANAGING STATE VEHICLES AT THE  
DEPARTMENT OF HEALTH**

**From The Office Of State Auditor  
Claire McCaskill**

*The Department of Health needs to improve policies to ensure fleet vehicles are reviewed for need, replaced timely and assigned properly.*

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**PERFORMANCE AUDIT**



Office of  
Missouri State Auditor  
Claire McCaskill

January 2002

**Audit finds questionable assignment of state vehicles to Department of Health employees and other areas for improvement in the department's fleet management**

This report is a detailed look at the Department of Health's use and management of 35 state vehicles. The review is an extension of the audit staff's September 2001 statewide review of vehicle fleet management.

**Vehicle assigned for emergency response often used for work commutes**

One administrator used his assigned Jeep Cherokee to respond to two emergencies during fiscal year 2000. The emergency response typically involves driving to the office to assemble with other responders. The vehicle is also used for commuting to work, which accounted for more than 54 percent of the mileage in fiscal year 2000 and 30 percent of the mileage in 2001. (See page 3)

**Cars logged low annual mileage**

Six of the department's 35 vehicles were driven less than 5,000 miles in a year. One vehicle assigned to a health care facility surveyor/inspector sat idle in the employee's driveway while the employee was on 5 months of administrative leave. Four of these vehicles were used for maintenance/delivery purposes between Jefferson City office locations. (See page 4)

**Vehicle information database is not complete**

Auditors found \$4,950 in repair costs that went unreported in the department's vehicle management database because of incomplete monthly operating cost documents. Department officials use this database to respond to requests for information, but the incomplete data results in the release of inaccurate information. Regular monitoring of the database information could help officials control the department's fleet size and condition. (See page 4)

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YELLOW SHEET

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DEPARTMENT OF HEALTH**

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**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

Honorable Bob Holden, Governor  
and  
Ronald Cates, Acting Director  
Department of Health  
Jefferson City, Missouri

The State Auditor's Office audited management of the state vehicles owned by the Department of Health (the department). The objectives of the audit were to determine if (1) the department has adequate policies, procedures, controls, and records for the management of vehicles, and (2) opportunities exist for more efficient and effective use of its vehicles.

The audit disclosed that the department recently reduced the vehicle fleet by eliminating a pool of high-mileage vehicles. However, the department needs to improve policies and procedures to effectively and efficiently manage state vehicles. In addition, the department could improve the automated fleet management system and database.

The audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such tests of the procedures and records as were considered appropriate under the circumstances.

Claire McCaskill  
State Auditor

August 31, 2001 (fieldwork completion date)

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## **RESULTS AND RECOMMENDATIONS**

### **State Vehicles at the Department of Health Can Be Better Managed**

The Department of Health's (the department) vehicle management policy lacks certain attributes key to the efficient and effective management of a vehicle fleet. Consequently, vehicle replacement and permanent vehicle assignment policies were not adequate, retention of some vehicles in the fleet was questionable, and the vehicle management system was inaccurate. Better fleet management would ensure an appropriately sized fleet in which vehicles are properly monitored and assigned.

#### **The department policy lacked guidance in vehicle replacement and assignment**

The department cannot adequately ensure it maintains a cost-effective fleet without a written vehicle replacement policy. Fourteen of the 35 vehicles owned by the department as of June 30, 2001, had over 100,000 miles. *(See Appendix II, page 8, for a listing of all vehicles.)* As a policy decision, department officials decided not to maintain a fleet of pool vehicles for check out by employees for state business and during the 2 years ended June 30, 2001, disposed of 16 vehicles that averaged 124,180 accumulated miles. Their plan called for the use of rental vehicles rather than maintain a vehicle pool. Generally, high mileage vehicles experience higher maintenance and repair costs. The federal General Services Administration uses a range of optimal vehicle replacement thresholds of 80,000 miles for heavy-duty trucks, 60,000 miles for sedans and station wagons, 50,000 miles for light-duty trucks, and 40,000 miles for 4-wheel drive vehicles.

40 percent of  
fleet has over  
100,000 miles

Table 1.1 demonstrates the replacement criteria used by the federal General Services Administration and illustrates the average cost for maintenance and repair experienced by the department during fiscal year 2001 and 2000.

**Table 1.1: Average Maintenance and Repair Costs for Vehicles Over and Under the Replacement Mileage Criteria for Fiscal Years 2001-2000**

Vehicle Type	Replacement Mileage	Costs for Vehicles Over /Under Criteria			
		Fiscal Year 2001		Fiscal Year 2000	
		Over	Under	Over	Under
Heavy Duty Trucks	80,000	\$ 2,730	924	752	516
Sedans and Station Wagons	60,000	\$ 278	131	447	139
Light-Duty Trucks	50,000	\$ 780	113	1,052	151
4-Wheel Drive	40,000	\$ 351	58	318	222

Source: Department of Health Expense Records

As the table shows, the higher mileage vehicles incur higher maintenance costs. Department officials stated that funds to replace vehicles with over 100,000 miles have not always been approved in the budget. Department officials stated they plan to maintain a fleet of service and program specific vehicles. Thus, a written vehicle replacement policy is needed. Such a policy

will also help the department assess the appropriate break-even point for deciding to repair a vehicle or to purchase a new one.

The department policy does not clearly define how employees receive a permanently assigned vehicle. The policy does not provide a listing of the positions authorized to have permanent vehicle assignments and does not include written justification or explanation for these permanent vehicle assignments. Ten of the 35 vehicles are permanently assigned to a specific job function or employee. Department officials indicated they use the permanent vehicle assignment criteria contained in a 1997 report<sup>1</sup> issued by Missouri's Council on Efficient Operations (Council) as a guideline as follows:

Some vehicles  
are permanently  
assigned to  
individuals

- In general, vehicles should not be assigned except to appropriate individuals or for certain conditions.
- Assigned passenger vehicles should travel more than 15,000 miles per year while conducting official state business.
- A vehicle may be assigned to job functions/employees requiring specially equipped vehicles, (e.g. mounted radio equipment, emergency response, or other programmatic needs).
- A vehicle may be assigned to job functions/employees that require frequent transportation in the performance of their duties (e.g. mail and delivery vehicles, etc.).
- Permanently assigned vehicles are not to be used for commuting purposes, unless that employee works from his/her home, is on a 24-hour on-call status, or needs to operate a specially equipped vehicle.

Employees who work from their homes are assigned 7 of the 10 vehicles. These employees inspect and survey hospitals, skilled nursing facilities, laboratories and rural health departments. These vehicles averaged 15,500 miles in fiscal year 2001 and 16,700 miles in fiscal year 2000. The job function and the mileage meet the criteria suggested in the Council report. Of the remaining three vehicles, one vehicle is assigned to the department director; however, two other assignments are questionable.

The director of the Section for Environmental Public Health is assigned a vehicle to use to respond to after-hours emergencies. The employee stated that on emergency calls (of which there were only two during fiscal year 2000) he typically drives the Jeep Cherokee to the department office to assemble and join with other members of the emergency response teams. The employee drove the Jeep only 4,440 miles during fiscal year 2000, and over 54 percent of those miles were for personal commuting. This vehicle was driven only 4,052 miles during fiscal year 2001, and over 30 percent of those miles were for personal commuting. The remaining

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<sup>1</sup> "Vehicle Management and Maintenance – Opportunities to Improve the State of Missouri's Vehicle Fleet Efficiency," issued by the Council on Efficient Operations, August 20, 1997.

mileage was used to participate in training and drills. The low business mileage makes it questionable as to whether this vehicle is efficiently used or needed.

The deputy director drove an assigned vehicle 13,329 miles during fiscal year 2001, and 9,307 miles during fiscal year 2000. Department officials indicated the deputy director is considered on-call and may use the vehicle to respond to any emergencies. However, the deputy director could not provide information regarding the number and types of emergencies to which he responded. Although the deputy uses the assigned vehicle for daily commuting, records did not show his annual commuting miles because the deputy only reports the number of commuting round trips.

### **Not all vehicles are used efficiently and some may not be needed**

Our review identified six vehicles that were driven less than 5,000 miles in a year:

- The previously mentioned vehicle for the director of the Section for Environmental Public Health was used sparingly and usually for commuting.
- A vehicle that was assigned to an employee working from home during fiscal year 2001 was driven only 4,855 miles. Many employees that survey and inspect hospitals, skilled nursing facilities, laboratories and rural health departments work from their home and are assigned vehicles. This employee was on administrative leave for 5 months during fiscal year 2001. During that time, the vehicle remained parked at the employee's residence instead of being transferred for use at another location. The individual is no longer employed at the department and the vehicle was transferred to the central office pool in July 2001. 

Vehicle remained idle for 5 months
- Four of the six-maintenance/delivery vehicles in Jefferson City were driven less than 5,000 miles in fiscal year 2001. The department's General Services division maintained four maintenance and delivery vehicles at Jefferson City locations. The department's Bureau of Vital Records had one delivery vehicle and the State Laboratory also had one delivery vehicle. With the exception of the large Chevrolet truck, each of the vehicles is used for short distance trips between various office locations in Jefferson City. Although the vehicles receive frequent use on a daily basis, the low annual mileage for four of the vehicles provides an opportunity for evaluating whether sharing of the vehicles is practical through better scheduling of trips. This change would allow for better usage patterns and possible disposition of some vehicles. 

Better scheduling could lead to vehicle disposal

### **The department needs to improve the accuracy of its vehicle management system database**

The database was inaccurate because various districts and divisions submitted inconsistent and incomplete data. Each division and district office submits monthly usage reports and operating cost information to the General Services division.

Auditors compared the monthly reports filed by the divisions and districts on all vehicles to supporting documentation and noted \$4,950 of maintenance and repair costs that were not recorded on the monthly reports and as a result not entered into the database. The \$4,950 represented 13.5 percent of the actual maintenance and repair costs for fiscal years 2000 and 2001.

Department officials indicated they maintain the database to provide information upon request from entities such as the legislature, the Council on Efficient Operations, auditors, etc. Due to the incomplete nature of the database, the department is providing inaccurate data.

### **Reconciliation of vehicles to state license plates**

In our statewide audit of state fleet management (*Report No. 2001-94, issued September 25, 2001*), we noted that state entity vehicle records did not agree with state license plate information at the Department of Revenue. For our audit of state vehicles at the Department of Health, we performed a detailed comparison to reconcile these records. In March 2000, the Department of Revenue provided the auditor's office with information showing the Department of Health had 52 state license plates. The department disposed of 5 vehicles in October and November 1999, and 8 vehicles in October 2000, but did not report these 13 dispositions to the Department of Revenue until December 2000. After returning these 13 state license plates to the Department of Revenue, the department had 39 license plates. As of June 30, 2001, the department's records included data for only 35 vehicles. The database does not account for four recreational vehicles which were donated to the department by non-profit organizations. These organizations use the vehicles as mobile dental or health screening units under joint programs with the department.

### **The database should be used as a fleet management tool**

Department officials do not regularly monitor information contained in the database. Periodic analysis of the database would aid in controlling both the size and condition of the vehicle fleet. By reviewing various utilization statistics (i.e., mileage, number of trips, number of people traveling, etc.), the department could make more effective decisions regarding fleet size and composition.

### **Conclusions**

The department needs to improve the policies and procedures to effectively and efficiently manage its vehicles. In addition, the department's database needs some improvement. As an alternative to permanently assigning vehicles to employees, that accumulate low mileage due to infrequent use, officials could reimburse employees for using personal vehicles for the occasional emergencies requiring the employees' response. The policies and procedures should include criteria and guidance for vehicle replacement, assignment, and overall care.



## **Recommendations**

We recommend the Director, Department of Health:

- 1.1 Improve the vehicle management policies and procedures to effectively and efficiently manage the department's vehicles.
- 1.2 Set standards for the type of information to be recorded in the database which should include all state licensed department vehicles and use the database as a fleet management tool.

## **Department of Health Responses**

- 1.1 *Your recommendations will be taken under consideration. The Office of Administration is in the process of drafting a policy for fleet vehicles and as soon as that is completed we will review it and adjust our vehicle policy accordingly. We will make appropriate changes where warranted and cost beneficial.*
- 1.2 *We will also review the database and make appropriate changes and consider your recommendations.*

**OBJECTIVES, SCOPE AND METHODOLOGY**

**Objectives**

The objectives of this audit were to determine if (1) the Department of Health has adequate policies, procedures, controls and records for the management of vehicles, and (2) opportunities exist for more efficient and effective use of its vehicles.

**Scope and Methodology**

To accomplish the audit objectives we:

- Reviewed the department's policies for key fleet management provisions and the consistent application of those policies to the fleet of vehicles.
- Interviewed department personnel to clarify policies and procedures.
- Reviewed information from the vehicle management system regarding vehicle operating costs, maintenance and repair history, and mileage.
- Compared information in the database to supporting documentation on maintenance and repairs.
- Reconciled the number of vehicles in the department's fleet to the state license plate information at the Department of Revenue.

## APPENDIX II

### LIST OF VEHICLES, MILEAGE, AND JUSTIFICATION FOR ASSIGNMENT AND USE

Section Assignment, Make and Model of Vehicle	Miles Driven in Fiscal Years		Cumulative Mileage	Justification for Assignment and Use
	2000	2001		
Department Director				
1996 Jeep Cherokee	12,251	12,597	74,670	Customary to provide a vehicle to the department director
Department Deputy Director				
1999 Ford Taurus	13,329	9,307	32,564	Customary to provide a vehicle to the department deputy director / on-call
Surveys and Inspections				
1993 Dodge Spirit	13,335	10,505	111,447	Assigned to employee performing facility licensing surveys and inspections
1993 Dodge Spirit	11,729	4,855	106,615	Assigned to employee performing facility licensing surveys and inspections
1994 Jeep Cherokee	14,856	13,840	108,290	Assigned to employee performing facility licensing surveys and inspections
1996 Oldsmobile Achieva	17,480	19,333	91,329	Assigned to employee performing facility licensing surveys and inspections
1996 Oldsmobile Achieva	16,273	15,710	81,811	Assigned to employee performing facility licensing surveys and inspections
1998 Ford Escort	29,452	27,244	78,977	Assigned to employee performing facility licensing surveys and inspections
1998 Ford Escort	14,079	16,815	49,194	Assigned to employee performing facility licensing surveys and inspections
Division of General Services				
1988 Chevrolet Cargo Van	3,507	4,126	68,213	Materials and supply delivery between Jefferson City locations
1991 Jeep Cherokee	2,348	2,435	35,211	Materials and supply delivery between Jefferson City locations
1992 Chevrolet Astro Van	19,212	24,265	112,653	Motor pool for central office in Jefferson City
1993 Chevrolet (large truck)	10,917	11,226	98,974	Warehouse delivery
1994 Ford Pickup	16,813	16,803	110,227	Mail delivery for all facilities in Jefferson City
1995 Jeep Cherokee	19,760	30,695	102,695	Motor pool for central office in Jefferson City
1996 Chevrolet Corsica	27,946	15,185	107,284	Motor pool for central office in Jefferson City
1998 Chevrolet Corsica	27,219	29,204	95,892	Motor pool for central office in Jefferson City
1998 Plymouth Neon	31,053	31,236	104,158	Motor pool for central office in Jefferson City
1998 Plymouth Neon	26,315	31,965	100,346	Motor pool for central office in Jefferson City
State Laboratory				
1993 Jeep Cherokee	1,153	1,900	108,992	Delivery of items to and from the laboratory
Bureau of Vital Records				
1992 Ford Aerostar	7,256	2,927	114,834	Two delivery trips daily plus other trips as necessary
Section for Environmental Public Health				
1987 Jeep Cherokee	4,440	4,052	129,483	Emergency response as needed. Director on-call 24 hours
1996 GMC Suburban	7,097	8,753	44,161	Emergency response as needed
1999 Chevrolet Van	8,649	7,172	20,655	Emergency response as needed
Division of Home Health				
1997 Ford Taurus	15,401	12,955	60,885	Home health surveys
1997 Ford Taurus	11,687	14,194	56,916	Home health surveys
Northeast District Office				
1999 Ford Taurus	19,840	19,424	45,152	District operations and motor pool
Northwest District Office				
1994 Jeep Cherokee	21,265	13,960	115,315	District operations and motor pool
2000 Ford Focus	*	16,171	16,844	District operations and motor pool
Southeast District Office				
1999 Ford Taurus	22,980	23,393	55,570	District operations and motor pool
Identifies the 6 vehicles that should be considered for evaluating feasibility of pooling trips and reducing fleet.				

## APPENDIX II

### LIST OF VEHICLES, MILEAGE, AND JUSTIFICATION FOR ASSIGNMENT AND USE

Section Assignment, Make and Model of Vehicle	Miles Driven		Cumulative Mileage	Justification for Assignment and Use
	in Fiscal Years			
	2000	2001		
Southwest District Office				
1999 Ford Taurus	28,538	28,951	67,638	District operations and motor pool
2000 Ford Focus	*	14,193	14,741	District operations and motor pool
2000 Ford Focus	*	18,161	18,693	District operations and motor pool
Eastern District Office				
1996 Chevrolet Cavalier	17,720	17,017	106,344	District operations and motor pool
1999 Ford Taurus	22,028	22,668	53,050	District operations and motor pool

\* Vehicle purchased in fiscal year 2001

Source: Vehicle management system database and results of interviews with officials.